

## Human Resources Development Through MSMEs in the Digital Era to Improve the Economy Local in Surabaya

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### ABSTRACT

**Objective:** This study discusses the implementation of Human Resource development strategies (HR) in supporting the growth of the Micro, Small, and Medium Enterprises sector (MSMEs) and their impact on the local economy. The main objective of this strategy is empowering MSMEs to be more competitive in the market and able to face challenges, including visitor limitations. **Method:** The approaches implemented include socialization and training, digital marketing and promotion, and collaboration and partnerships. **Results:** Socialization and training have proven to be effective in increasing the knowledge and skills of MSME actors, especially in digital marketing and business management. Digital marketing strategies expand market reach, while collaboration with various parties strengthens the competitiveness of MSMEs locally and internationally. Research results show that HR development strategies not only contribute to increasing local economic income but also open up employment opportunities and improve community welfare. **Novelty:** This strategy is proposed as a sustainable approach to strengthening the local economy through the development of innovative and independent MSMEs.

## INTRODUCTION

The Micro, Small and Medium Enterprises (MSMEs) sector has an important role in the local economy in a number of countries, including Indonesia. In this context, the Strategy Human resource development (HRD) plays a key role in improving local economic income. Human resource development refers to a series of efforts planned and sustainable which aims to improve organizational performance by improving individual skills through training programs. Strengthening human resources in The MSME sector can be the main driving force in generating innovation, productivity, and competitiveness needed to lift the local economy to higher level.

Human resources (HR) are one of the main elements in an organization, especially in the micro, small and medium enterprise (MSME) sector. HR refers to the abilities, skills and competencies of workers that have a significant influence on overall company performance. Quality human resources can increase competitiveness. companies, maximizing productivity, and encouraging innovation. Therefore, HR development is crucial to strengthen individual and team capabilities, so that it is able to adapt to the dynamics of market changes and technological advances. increasingly rapid (Hasbullah, 2021). However, MSMEs are often faced with various problems that hinder them. their human resource development. Some of these include limited access to relevant training, lack of funding for HR development programs, and lack of ability to recruit workers with specialized skills (Sampurna et al., 2024). In addition, the low level of technological literacy among business actors MSMEs are also a big challenge, especially in the current

digital era where technology become an important element in business success (Hasan et al., 2021). This problem further exacerbated by the lack of access to wider markets, caused by limitations in utilizing digital marketing technology (Adnyani et al., 2020). On the other hand, many MSMEs have not yet realized the importance of development HR as a strategy to increase the competitiveness and sustainability of their business. This causes most MSME players to still rely on traditional methods. in running a business, making it difficult to compete in an increasingly competitive market. Thus, a comprehensive HR development strategy is needed to help MSMEs overcome these challenges and maximize their economic potential local.

Based on data from the Ministry of Cooperatives and SMEs, in 2019 there were around 65.4 thousand Micro, Small, and Medium Enterprises (MSMEs) in Indonesia. By Therefore, a human resource development strategy that focuses on the MSME sector is key. in optimizing local economic potential (Ministry of Finance of the Republic of Indonesia, 2023).

## **RESEARCH METHOD**

The method chosen for this research is Systematic Literature Review. (SLR) using content analysis techniques. According to Delgado-Rodríguez and Sillero- Arenas (2018) Systematic Literature Review (SLR) is a method that clearly structured to summarize, critically evaluate, integrate, and presenting findings from several studies related to the research question or topic certain. The data obtained was then analyzed using content analysis techniques. is a research technique that allows for the making of inferences that can be replicated and accurate data collection with consideration of context (Krippendorff, 2018).

The data collected was analyzed in depth with consideration the context, so that it is possible to obtain inferences that are considered valid. trusted and accurate. This method is very effective and suitable for use in conducting studies. qualitatively to gain a deeper understanding of the research related to title "Human Resources Development through MSMEs in the digital era to improve the local economy" in Surabaya".

## **RESULTS AND DISCUSSION**

The implementation of the Human Resources (HR) development strategy has resulting in substantial changes in the Micro, Small and Medium Enterprises sector (UMKM). The main objective of this strategy is to improve the local economy. made with the aim of becoming a forum for the Surabaya City government in carrying out empowerment of MSMEs and improving the local economy. Some of the obstacles which are still found include low number of visitors, limited understanding towards technology, as well as lack of access to product development facilities. The existence of Human Resources (HR) development strategies are needed to overcome the problem. Some implementation of steps that have been proven to bring positive impact on increasing local economic income in the MSME sector, among others:

## 1. Socialization and Training

Socialization and training are among several development strategies. Human Resources (HR) to be able to make a significant contribution I, improve the local economy, especially in the context of developing MSMEs. Socialization refers to the process of disseminating information and knowledge to individuals or related groups about the number of factors that have relevance to the activity economy, while training involves providing skills, knowledge and the practical understanding needed to manage a business more effectively.

This study highlights that socialization through the dissemination of knowledge about entrepreneurship in an effort to improve the MSME sector in Palangan Village, District Karangbinangun, Lamongan Regency, has a significant impact on the economy local. This socialization and training contributes to improving the local economy, especially when the quality of Human Resources (HR) is getting better. This training assist participants in instilling and building an entrepreneurial spirit, understanding studies business feasibility, as well as starting and developing their businesses. In addition, participants also introduced to the development of increasingly sophisticated social media technology, which can be used for product or service development and marketing (Ananta et al.,2024).

The results of the study showed that socialization and training regarding development of MSMEs in Kalangan Kebonagung Hamlet, Bantul has had an impact positive on the local economy, especially in the culinary sector. MSME participants, especially in culinary field, get great benefits from online marketing socialization. They have using platforms like Instagram to promote their products, demonstrate a good understanding of the importance of social media in expanding market. This has the potential to boost the local economy by expanding the market reach. MSMEs (Maulida et al., 2023).

From the research findings, it can be seen that socialization and training provide significant influence in improving the local economy in the MSME sector in the Village Rungkut Cake. Socialization and training contribute to improving the local economy, if the increasing quality of Human Resources (HR) contributes to improving the local economy in the MSME sector (Laili & Wijarnoka, 2023).

Research shows that through the socialization and training that has been carried out, achieving success in contributing to the skills and development of Resources Human Resources (HR) where UMKM actors in Binong Permai gain knowledge related to the Buku Warung application after going through the stages of socialization, training, and assistance provided. With new understanding and skills, the perpetrators It is hoped that MSMEs in Binong Permai can optimize their business potential and together creating a positive impact on the local economy (Yohana et al., 2024).

The role of socialization and training in human resource (HR) development proven to make a positive contribution to local economic growth in the sector MSMEs. Socialization and training can provide practical knowledge and skills. which is needed for UMKM actors. For example, they can be trained in management business, cooking

techniques and attractive food presentation, financial management, and marketing products effectively. By improving the quality of their human resources through With proper training, MSME entrepreneurs can maximize their business potential and provide a more satisfying culinary experience for MSME visitors. Thus, the development of Human Resources (HR) through strategy, socialization and training can be considered to be one of the effective strategies in encourage local economic growth in the MSME sector. These steps are not only helps MSMEs to be more competitive in an increasingly complex market, but also has the potential to create a wider positive impact on society local, including increased income, job creation, and improvement overall well-being.

## **2. Digital Marketing and Promotion**

In the era of the industrial revolution 4.0 like today, digitalization is needed in everything. sectors include the Micro, Small and Medium Enterprises (MSMEs) sector. Marketing and Promotion through digital media can increase market reach. which is wider. In addition that, digital marketing and promotion strategies have a positive impact in improve the local economy in the MSME sector. Studies show that digitalization plays an important role in economic recovery craft sector and support MSMEs in Bali Province. MSMEs have a strategic role in supporting the local economy, especially for the lower middle class. It is recommended that MSMEs in Bali utilize digitalization in product marketing to overcome the challenges faced due to technological developments, so that we can continue develop without being hindered by difficult situations (Adnyani et al., 2020).

A study result shows that the use of digital technology in MSMEs The culinary sector in Jatinegara Subdistrict, East Jakarta, has a positive impact on boosting the local economy. MSMEs that adopt marketing and promotional strategies digital is able to increase business profits, especially by increasing revenue and sales volume, and attract more customers Digitalization facilitate transactions, expand market reach, and gain attention from new customers through the promotions provided (Hasan et al., 2021).

Digital marketing and promotion has been proven to boost the local economy. MSME sector. With this strategy, MSMEs can expand their reach their market significantly. Adopting technologies such as Google Business and QRIS can provide new opportunities for MSMEs to increase sales and make it easier purchasing process for customers. In addition, the digitalization of MSME businesses such as the use of websites and e-commerce platforms, have had a positive impact in increasing efficiency and effectiveness of the sales transaction process.

Thus, digital marketing and promotion strategies have proven themselves as one of the main driving factors in improving the local economy. Through Utilization of digital technology can increase competitiveness, reach more people customers, and create a better culinary experience for visitors.

## **3. Collaboration and Partnership**

Human Resource Development (HRD) is one of the main factors in increase local economic income in the Micro, Small and Medium Enterprises sector (UMKM). In the context of collaboration and partnership strategies, it can become a strategy that effective

in strengthening human resource development efforts among MSME actors. Collaboration strategies and strategic partnerships in the MSME sector have a positive impact and significant to the improvement of the local economy. Every business actor, especially MSME entrepreneurs need to be willing to collaborate and partner with other businesses in order to strengthen their position, maintain, and even improve their performance in order to can remain relevant and survive the competition (Pokhrel, 2024).

The research highlights the importance of collaboration and partnership strategies in the MSME sector, as depicted in the "Independent Export-Independent UMKM" program. Collaboration between stakeholders and the export UMKM business scheme has a crucial role in the acceptance or management stage of MSMEs. With an effective onboarding process, MSMEs can access potential international markets to export, The implementation of digital technology is a key factor in accelerating growth the MSME economy after the pandemic, allowing them to continue to exist, recover, and compete in the global market. To make this happen, good synergy between stakeholders interests are very important for the transformation process to run smoothly (Sofia et al., 2022).

Collaboration and partnership strategies are one of the effective methods in improve the local economy in Surabaya. Through strong cooperation between actors MSMEs, local governments, non-governmental organizations, and stakeholders In addition, MSMEs have the potential to become more attractive product destinations and highly competitive. Thus, to achieve sustainable economic growth It is important for MSMEs to continue to encourage collaboration and partnerships. sustainable. These steps will not only benefit the MSMEs individually, but will also strengthen the foundations of the local economy as a whole. overall, creating employment opportunities and improving community well-being, local.

## CONCLUSION

**Fundamental Finding :** The implementation of the Human Resources (HR) development strategy has shows a positive impact in the MSME sector, especially in increasing local economy. Some key strategies, such as socialization and training, digital marketing, and collaboration and partnerships, successfully improving skills, knowledge, and competitiveness of MSME actors. Socialization and training provide practical knowledge in business management and improving marketing skills through media social, which has been proven to expand the MSME market. In addition, digital marketing strategies expand market reach by utilizing technologies such as e-commerce and QRIS, which facilitate transactions and attracting new customers. **Implication :** Collaboration and partnership between MSMEs, government, and other stakeholders strengthen the position of MSMEs in the local market and globally, as well as creating greater export opportunities. This suggests that integrated HR strategies not only enhance individual business capacity but also contribute to systemic economic development at the local and international levels. **Limitation :** Although this strategy has shown success in increasing local economy, challenges such as low visitor numbers still need to be addressed. This indicates that while the strategies are effective in several

aspects, they may not comprehensively resolve all operational or market engagement issues faced by MSMEs. **Future Research** : Therefore, continuous human resource development is needed to ensure local economic growth through the MSME sector. Future studies should explore innovative HR interventions and assess their scalability and long-term sustainability in supporting MSME-driven economic development.

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